

## **Program B: Injured Worker Reemployment Program**

Program Authorization: LRS 23:1371-1379

### **PROGRAM DESCRIPTION**

The mission of the Injured Worker Reemployment Program is to encourage the employment of workers with a permanent condition that is an obstacle to employment or reemployment, by reimbursing the employer or if insured their insurer for the costs of workers' compensation benefits when such a worker sustains a subsequent job related injury. The Injured Worker Reemployment Program obtains assessments from insurance companies and self-insured employers, and reimburses those clients who have met the prerequisites.

The goals of the Injured Worker Reemployment Program are:

1. To ensure prompt reimbursement to employers and insurers for qualifying claims.
2. To maintain adequate funding.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables**

1. (KEY) To accurately process 100% of the claims received from employers and insurance carriers, setup all claims within 5 days of receipt of notice of claims form, and render a decision within one-hundred eighty (180) days of setting up the claim.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Total claims closed	1,900	1,482	1,900	1,900	1,900	1,900
S	Number of decisions rendered	1,700	1,535	1,700	1,700	1,700	1,700
S	Number of claims pending	2,698	2,706	3,400	3,400	3,000	3,000
S	Percentage of denials resulting in suits	9%	5.5%	4%	4%	4%	4%
S	Total claims payment	\$29,587,482	\$28,848,762	\$29,587,000	\$29,587,000	\$29,900,000	\$29,900,000
S	Percentage of administrative cost to total claims payment	2%	2%	2%	2%	3%	3%
K	Percentage of claims set up within 5 days	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>1</sup>	90%	90%	90%
K	Percentage of decisions rendered by board within 180 days	Not applicable <sup>1</sup>	Not available <sup>2</sup>	Not applicable <sup>1</sup>	35%	35%	35%

<sup>1</sup> New indicator added for FY 2000-2001, therefore the indicator does not have a year-end standard for 1998-1999. In addition, the indicator was not used in budget development or the appropriation for FY 1999-2000, and does not have a performance standard or appear in the LaPas database.

<sup>2</sup> Prior year data is unavailable at this time, because this information was not tracked prior to the inclusion of the indicator in Executive Budget development.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	29,477,755	30,258,568	30,258,568	30,307,365	30,269,273	10,705
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$29,477,755</u></u>	<u><u>\$30,258,568</u></u>	<u><u>\$30,258,568</u></u>	<u><u>\$30,307,365</u></u>	<u><u>\$30,269,273</u></u>	<u><u>\$10,705</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$329,443	\$352,519	\$352,519	\$395,763	\$395,763	\$43,244
Other Compensation	0	7,117	7,117	7,117	7,117	0
Related Benefits	58,603	60,276	60,276	67,670	65,898	5,622
Total Operating Expenses	48,219	46,457	46,457	44,616	43,927	(2,530)
Professional Services	20,195	31,000	31,000	31,000	31,000	0
Total Other Charges	29,011,106	29,749,005	29,749,005	29,749,005	29,713,374	(35,631)
Total Acq. & Major Repairs	10,189	12,194	12,194	12,194	12,194	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$29,477,755</u></u>	<u><u>\$30,258,568</u></u>	<u><u>\$30,258,568</u></u>	<u><u>\$30,307,365</u></u>	<u><u>\$30,269,273</u></u>	<u><u>\$10,705</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	13	13	13	13	13	0
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>13</u></u>	<u><u>0</u></u>

## SOURCE OF FUNDING

This program is funded with Statutory Dedications from the Louisiana Worker's Compensation - Second Injury Fund. (Per R.S. 39:32b.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) This Fund is administered by five board members: the State Treasurer, Commissioner of Insurance, Director of Worker's Compensation, Secretary of the Department of Social Services and the Secretary of State. Each insurance carrier and the self-insured employer is assessed an annual assessment based on a percentage of the total paid Worker's Compensation benefits. The Board may suspend or lower this assessment rate annually.

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
Louisiana Worker's Compensation 2nd Injury Board Fund	\$29,477,755	\$30,258,568	\$30,258,568	\$30,297,701	\$30,269,273	\$10,705

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$30,258,568	13	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$30,258,568	13	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$24,282	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$24,282	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$2,530)	0	Risk Management Adjustment
\$0	\$12,194	0	Acquisitions & Major Repairs
\$0	(\$12,194)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$35,329)	0	Salary Funding from Other Line Items
\$0	\$30,269,273	13	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$30,269,273	13	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE

**\$0      \$30,269,273      13      GRAND TOTAL RECOMMENDED**

The total means of financing for this program is recommended at 100% of the existing operating budget. It represents 99.8% of the total request (\$30,309,895) for this program. This program does not have any positions which have been vacant for one (1) year or more.

### **PROFESSIONAL SERVICES**

\$10,000	Legal services for contract attorneys to assist in high legal appeals of cases denied for reimbursement of Worker's Compensation claims
\$21,000	Actuarial study of claims required by the legislative auditor to determine validity and accuracy of unfunded liability
<b>\$31,000</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

### **OTHER CHARGES**

\$29,163,516	Reimbursement to insurance carriers for costs' of Worker's Compensation benefits when an eligible worker sustains a subsequent job related injury
<b>\$29,163,516</b>	<b>SUB-TOTAL OTHER CHARGES</b>

#### **Interagency Transfers:**

\$158,115	Department of Justice-Legal Services
\$3,408	Division of Administration-Comprehensive Public Training Program (CPTP)
\$388,335	Funding transferred to the Department of Justice for services rendered

<b>\$549,858</b>	<b>SUB-TOTAL INTERAGENCY TRANSFERS</b>
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<b>\$29,713,374</b>	<b>TOTAL OTHER CHARGES</b>
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### **ACQUISITIONS AND MAJOR REPAIRS**

\$12,194	CPU upgrade - This will be done for all network and all batch jobs processed.
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<b>\$12,194</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>
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